

To: Directors of Housing/RSL Chief Execs in relevant areas

NORTH WEST REGIONAL HOUSING BOARD: COMMISSIONING

The attached note gives details of the first round of commissioning projects proposed by the North West Regional Housing Board. The Board's intention is that their investment should include a targeted programme specifically intended to encourage innovation and aid the development and spread of good practice around the region. This first round will focus on private sector renewal activity, in particular delivery of decent private sector homes occupied by vulnerable households and, for local authorities, the use of the new powers available under the Regulatory Reform Order. The Board has therefore decided to seek proposals from those authority areas identified in the Regional Economic Strategy as priorities for regeneration but outside the Market Renewal Pathfinder areas.

Outline proposals should arrive by **close of play on Friday 5 September**, and should be no more than 5 pages of A4, excluding any maps. This should include the amounts of local authority borrowing approval and Housing Corporation resources for housing associations required in both 2004/5 and 2005/6, to allow us to construct a portfolio of schemes to make best use of the available resources. To assist with the assessment process and pending the 2004/5 bids round, housing associations should also submit bids under the 2003/4 IMS Bid System making it clear in the comments box that the bid relates to the joint commissioning proposal for private sector renewal. Successful proposals will be identified by the end of September and these partnerships invited to develop more detailed schemes.

If you have any questions about the scheme you should contact either Steven Fyfe at Government Office for the North West (Tel 0161 952 4280, Email sfyfe.gonw@gov.uk), Diane Walton at Housing Corporation North West (Tel 0161 242 2000, Email diane.walton@housingcorp.gsx.gov.uk) or Maria Dowling at Housing Corporation Merseyside (Tel 0151 242 1200, Email maria.dowling@housingcorp.gsx.gov.uk)

Copies of outline proposals should be sent to:

Steven Fyfe
Government Office for the North West
Sunley Tower
Piccadilly Plaza
Manchester M1 4BE

And to either:

Diane Walton
Housing Corporation
Elisabeth House
St Peter's Square
Manchester M2 3DF

or Maria Dowling
Housing Corporation
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3-11 Temple Street
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North West Regional Housing Board

Commissioning Round 1: 2004/05 and 2005/06

The North West Regional Housing Board want to use the new regional structures to encourage and support innovation in tackling the key housing issues facing the region. To help achieve this, they intend to commission a small number of innovative projects with a two-year allocation of funding from the single capital pot.

Funds

For 2004/05 and 2005/06, the ODPM have earmarked an additional £6 million per annum for the encouragement of new approaches to private sector renewal using the extended powers now available to local authorities following the implementation of the Regulatory Reform Order. The Housing Corporation will match this amount, to facilitate housing association involvement, giving a total of £24 million available over the two years. The number of projects supported will depend on the nature of the proposals received.

What are we looking for?

The Board want to fund projects which demonstrate innovation in the use of housing capital investment to both achieve specific housing aims and supporting broader social or economic regeneration. This reflects the approach set out in the Regional Housing Strategy.

Within that framework, there are only four **mandatory requirements**:

- a) Projects should be the result of joint working. This could involve one or more local authority or housing association, a combination of local authority and housing association partners, or broader partnerships involving the community, private sector landlords or developers, financial institutions, etc.
- b) Projects should contribute directly to the achievement of the PSA target to “increase the proportion of private housing in decent condition occupied by vulnerable groups.” (see Annex for more detail)
- c) Projects should use approaches suitable for more general application elsewhere in the region, and should draw upon the new powers and flexibilities available as a result of the Regulatory Reform Order.
- d) The housing association element must meet the Housing Corporation’s eligibility criteria.

Beyond these mandatory requirements, the Board will particularly welcome proposals demonstrating how private sector renewal activity relates to one or more of the themes from the Regional Housing Strategy - community cohesion, neighbourhood renewal and sustainability, quality and design.

Where are the priorities?

With limited sums available the Board intends to concentrate resources under this first round of commissioning on local authority areas identified in the Regional Economic

Strategy as priorities for economic regeneration, but which are not part of a Market Renewal Pathfinder, namely:

Allerdale	Knowsley
Barrow-in-Furness	Lancaster
Blackpool	Preston
Bolton	St Helens
Copeland	Tameside
Ellesmere Port & Neston	West Lancashire
Halton	Wigan

Judging criteria

The prime interest in judging proposals will be to identify new approaches with the potential to effectively deliver real change on the ground in a way capable of being repeated elsewhere. The following criteria will also inform decisions (these are not placed in any priority order):

- Leverage of other sources of funding
- Value for money – costs, both overall and in the use of commissioning funds, balanced with the quality and sustainability of the outcomes secured
- Deliverability
- Contribution to wider regeneration or development schemes
- (For associations) meeting the Housing Corporation's eligibility criteria

The chosen proposals will also, collectively, need to be managed to ensure best use of the available funding.

Timetable

Before end July	Details of the scheme sent to local authorities listed above, and to major housing associations operating on those areas
By 5 September	Outline proposals to be received by Government Office on behalf of the Board
By end September	Preferred proposals identified, local authority allocations fed into ODPM, indicative proposals to be further developed with the Housing Corporation
October – March	Detailed development of proposals, Housing Corporation allocation processes, agreement of expected outcomes and learning points
April 2004	Projects commence

Decent Homes

In the 2000 Spending Review, a Public Service Agreement (PSA) target was set to: *ensure that all social housing meets standards of decency by 2010, by reducing the number of households living in social housing that did not meet these standards by a third between 2001 and 2004, with most of the improvements taking place in the most deprived local authority areas as part of a comprehensive regeneration strategy.* This was one of the floor targets announced in *A new commitment to Neighbourhood Renewal: National Strategy Action Plan* which sets out the Government's approach to tackling deprivation in England's poorest communities.

The 2002 Spending Review renewed the commitment to making all social housing decent by 2010. The target was also expanded to cover vulnerable households in the private sector. The amended target is now: *by 2010, to bring all social housing into decent condition, with most of the improvement taking place in deprived areas, and increase the proportion of private housing in decent condition occupied by vulnerable groups.* The wording of the target in relation to private sector homes should be read to mean:

“...and, for vulnerable households in the private sector, to increase the proportion who live in homes that are in decent condition.”

Nearly 1.2 million (23%) of the 5.2 million households in England living in non-decent private sector homes are defined as vulnerable for the purposes of this new PSA target. For the purpose of monitoring this target at the national level ODPM define vulnerable households as those on the following benefits: income support, housing benefit, council tax benefit, disabled persons tax credit, income based job seekers allowance, working families tax credit, attendance allowance, disability living allowance, industrial injuries, disablement benefit, war disablement pension. (This definition will vary with changes in the benefit system and ODPM are considering the effect of the changes to the tax credit systems brought in for 2003/04)

Local authorities will have their own working definition of vulnerable and for grant eligibility many still use the statutory means test. There is no requirement for them to standardise their definition on ours.

The Delivery Plan for this PSA now includes specific targets for the proportion of vulnerable households in the private sector whose homes achieve the decency standard by 2005, 2010 and beyond. The baseline for 2001 is 57%. The targets for future years are to increase this to 63% by 2005, to 70% by 2010 and to 75% by 2015/20.

The outputs from a number of important Government programmes will contribute towards achieving this target. Policies developed under the new RRO powers will obviously be crucial. Important contributions will also come from the Warm Front and other home energy efficiency programmes operated by DEFRA and the regeneration strategies developed by the Low Demand Pathfinder Partnerships.

The decent home standard

When the target to make all social housing decent by 2010 was first set, a definition of a decent home – the decent home standard – was established in order that progress against the target could be monitored. Under the standard, a home is classed as decent if it:

- is above the current statutory minimum standard for housing (the fitness standard);
- is in a reasonable state of repair;
- has reasonably modern facilities;
- provides a reasonable degree of thermal comfort.

The details can be found at

<http://www.housing.odpm.gov.uk/information/dhg/definition/index.htm>